



FOR IMMEDIATE RELEASE

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MAYOR JERRY SANDERS
PRESS RELEASE

**MAYOR SANDERS PROPOSES
MID-YEAR BUDGET REDUCTIONS**

TOP-TO-BOTTOM CUTS NEEDED TO CLOSE \$43 MILLION DEFICIT

Mayor Jerry Sanders today will submit to the City Council a mid-year budget amendment needed to close a \$43 million gap in the city's fiscal year 2009 budget.

The mayor's budget cuts protect the city's core services while reducing administrative overhead, employee positions and other expenses across all city departments.

The reductions in the mayor's proposal are achieved through a major reorganization that eliminates four deputy chief operating officers, with department directors reporting directly to Chief Operating Officer Jay Goldstone.

The mayor is eliminating three positions from his staff, bringing his office's budget reduction to 15 percent for the current fiscal year.

With most staffing cuts coming from upper and middle management, supervisors will be expected to manage more people and functions, while line employees who provide direct services to citizens will largely be retained. Between the current staff reductions and the hiring freeze the mayor instituted in August, 217 positions have been eliminated from the budget.

"While our goal has been to minimize the impacts to residents, there's simply no denying that these budget cuts are going to be painful for all of us," Sanders said. "I want San Diegans to recognize that, even under these extraordinarily challenging economic

circumstances, we're going to maintain the city's core functions and keep in place as many community services as we can — but we're going to do it without smoke and mirrors.”

This major mid-year budget adjustment, which was necessitated by plummeting tax revenues, marks the first time the mayor has asked the chiefs of the Police and Fire-Rescue departments to reduce their budgets. Each department proposed eliminating civilian personnel and non-personnel expenses. Fire-Rescue will eliminate one academy per year and decrease its overtime budget by reducing the number of crews at 12 fire stations with two or more trucks/engines on a rotating basis. Police will eliminate civilian positions and reduce the size of its academies from 50 students to 25.

“I applaud our Police and Fire chiefs for their surgical approach to cost-cutting, which we believe will result in the least possible impact on service levels and responsiveness to the community,” Sanders said. “Their plans are great examples of the resourcefulness we've seen throughout our city departments in response to our call for cost reductions.”

Mayor Sanders warned that service-level impacts will be felt in some areas. The budget reductions include suspension of service at seven branch libraries and nine recreation centers, with operations consolidated at nearby locations. The recreation centers that will be temporarily closed are the smallest and offered the fewest programs of the 52 centers in the city's park system. The libraries slated for temporary closure were selected based on lower usage and circulation as well as their close proximity to newer, larger libraries. Grounds maintenance will continue at all closed facilities, and ball fields and parks adjacent to the closed recreation centers will remain open.

In addition, the city is eliminating its Customer Service Department, which operated six customer service centers throughout the city that primarily served as drop-off points for water bills but also offered notary and passport services. Those functions will continue to be performed at the customer service desk at City Hall.

The mayor has asked that departments outside of his control, including the offices of the City Attorney, City Clerk and City Council, trim their budgets by 10 percent to assist in bridging the budget gap.

The city will continue to fully fund the pension system, the general fund reserves and capital improvements necessary to bring the city into compliance with the Americans with Disabilities Act. In order to maintain strong financial oversight and continue the mayor's aggressive financial-reform agenda, there will be no staff or training reductions in the Auditor, Comptroller or Debt Management departments.

“We've come so far in the past three years in terms of bringing prudent financial practices to City Hall, and I don't want to slip backward on that,” Sanders said. “We're going to face this crisis head-on, without games, and I know I have the support of San Diegans to continue forward on the path of fiscal reform.”

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